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CENTRAL VALLEY
PROJECT

AND
ITS RELATION TO
TRANSPORTATION

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THE CENTRAL VALLEY PROJECT

AND ITS

RELATION TO TRANSPORTATION

This paper adapted from an address by

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TO THE PACIFIC TRANSPORTATION ASSOCIATION

AT THE COMMERCIAL CLUB, SAN FRANCISCO, CALIFORNIA

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One of the principal features of the California landscape, and one of the most important features, economically, is a great trough or valley, lying between the Coast Range on the west and the Sierras on the east. This trough averages fifty miles in width and it is four hundred fifty miles long, stretching from the Tehachapi Mountains and Kern County on the south, to the headwaters of the Sacramento River above Redding in Shasta County. This long trough is known as the great Central Valley of California. The south half is drained by the San Joaquin River which flows northerly. The north half is drained by the Sacramento River which flows southerly. The two rivers join between Stockton and Sacramento and flow together into San Francisco Bay.

The Central Valley is already long famous for its agricultural productivity. Its soils are underlaid with rich deposits of gas and oil. The mountains flanking it are richly mineralized and clad with forests.

California has a population of nearly seven million people. A million of them live in the Central Valley. At least three of the other six millions are directly, if not wholly, dependent, for their livings, upon the economic activity of financing, packing, processing, manufacturing, refining, selling, sacking, handling, and shipping, and eating and

wearing and using the products of the Central Valley; or upon supplying the wants of the people living in the Central Valley.

California's population has quadrupled in the forty years since the turn of the century. I regard as wholly conservative my belief that the population will again double by the end of the century, sixty years hence. If present trends continue, the increase will be accounted for, not by the natural excess of births over deaths within California, but by immigration from without. And, if present trends of immigration continue, the vast majority of immigrants will be farm families from east of the Rockies; from those sections of the country where the excess of births over deaths is producing what might be termed an exportable surplus of population.

Where are these immigrants going to settle down? What are they going to do for their livings?

The problem of assimilation here posed is scarcely comparable with the relatively simple problem of three, four, and five generations ago when millions of newcomers were moving into an unsettled, unclaimed, wilderness; conquering the west. For the most part, the seven million newcomers in the next sixty years are going to have to settle down by sandwiching themselves in between and among us who are already here, legally entrenched and in possession. The experience of recent years, so dramatically portrayed by the *Grapes of Wrath*, warns us that there *may* be much friction in this process of sandwiching-in unless we plan for the future.

This we have done. Many years ago California had the foresight to set her engineers to planning for the future. From 1921 until 1931, the State Division of Water Resources devoted ten years to intensive studies and investigations of our water and land problems. Out of these investigations the State Water Plan was developed, which, in a report to President Roosevelt in 1934, was termed "the most carefully considered and complete plan of its kind ever drawn up."

The plan calls for the control, storage, redistribution and utilization of flood waters which now waste into the Pacific Ocean. The plan will provide ample water for every acre of irrigable land on the floor of the entire Central Valley, control the floods, produce nearly six billion kilowatt hours of electric energy annually and perform numerous other services for the people.

There are ten million acres of irrigable agricultural land in the Central Valley. With water, these acres are capable of supporting

millions of people. But the water supply is unevenly distributed both geographically and seasonally. Two-thirds of the total rain and snow fall in the Central Valley drainage basin occurs in the Sacramento River watershed containing only one-third of these ten million acres; while that of the San Joaquin River Valley, containing two-thirds of the land, receives only one-third of the rain and snow.

The State Water Plan is a method for moving the rain waters from parts of the State having too much to those having too little. It can not be carried out completely in a decade, or even in a generation. It is a comprehensive plan covering the entire State, and is subdivided into a number of units, each affecting a separate river basin of which the Central Valley consisting of the watersheds of the Sacramento and San Joaquin rivers is one. This, the most important unit, since it affects by far the largest cultivable area in the State, is known as the *Central Valley Project*. It is now being constructed. It was designed to store flood waters and distribute them for irrigation. But to do this required the installation of a great dam at Shasta to impound four and one-half million acre feet of water, which is usable for many purposes. The Central Valley Project is one of man's boldest plans to overcome handicaps imposed by nature and to turn them to good account.

The principal features of this project are:

1. Shasta Dam—the second largest dam in the world—a great high concrete structure across the Sacramento River above Redding.
2. A smaller dam, also a concrete structure, across the San Joaquin River at Friant, twenty-one miles north of Fresno.
3. A system of canals and pumping plants to divert water from the Sacramento River below the City of Sacramento and to carry it to the San Joaquin Valley country as far south as Mendota in Fresno County.
4. Canals to carry water from Friant Reservoir southerly to the vicinity of Bakersfield and northerly to lands in Madera County.
5. A great hydro-electric power plant at Shasta Dam and a 200-mile transmission line to load center near Antioch.
6. And probably a standby steam electric power plant, near Antioch, to "firm" the power from Shasta Dam.

But the dams, canals, power plants, and pumping stations are not the final end and aim of the project. They are only the means to that end. The objective of the Central Valley Project, in broad terms, is the promotion of the general welfare. Careful engineering study, planning and execution are necessary to the building of those great works which form a sound physical base upon which we might build a well balanced and effective economy and social structure; but they are not that structure.

That structure, and its success or failure, will depend upon and consist of the patterns of land tenure, the size of holdings, the manner of settlement, the patterns of farm operations and markets; upon rational labor relations; upon the pattern of industry; upon the cost of transportation to market; and, finally, it will depend upon the cost to consumers of the electric power to be produced by the project, and of water and other benefits promised.

Let us canvass some of the benefits promised. Briefly, they are:

1. Reduced flood damages in both the Sacramento and San Joaquin Valleys.
2. An assured supply of 1,677,000 acre-feet of water per season for irrigation of lands having rights to the use of Sacramento River water, or approximately 40 per cent more water than has been used by the lands in recent years.
3. An assured supply of 3,472,000 acre-feet of water per season to meet the irrigation and salinity-control requirements of 400,000 acres of rich land in the Sacramento-San Joaquin Delta.
4. Provision of adequate water supplies for domestic, industrial and irrigation requirements of the area extending from the delta to Martinez which will be served by the Contra Costa Canal.
5. Improved navigation on the Sacramento River to Red Bluff; a minimum depth of five feet to Chico Landing, and four feet to Red Bluff.
6. Generation of approximately $1\frac{1}{2}$ billion kilowatt hours of electric energy annually.
7. A variable supply of water, averaging 860,000 acre-feet per season, for lands in the northern San Joaquin Valley now using San Joaquin River water. Even in extremely dry years, this

- will exceed their present dry-year supply by more than 50 per cent.
8. A supplemental water supply for $1\frac{1}{4}$ million acres of developed farm lands in five southern San Joaquin Valley counties now in dire need of additional supplies.
 9. Restoration of underground waters which have been so heavily overdrawn in recent years in the southern San Joaquin Valley.
 10. Restoration to use of thousands of acres of good land in the southern San Joaquin Valley now abandoned for lack of water.

Millions of acre-feet of water, millions of acres of land to be given water, and billions of kilowatts. In order to give these figures meaning, it becomes necessary to give them a liberal translation.

For example, it means something to me when I am told that the Central Valley Project can readily be made to yield the good life for two, three, or four times the present population. It means something to me to be told that such increases, with corresponding increases in all lines of production and economic activity, including transportation, are the possibilities, the promise of the Central Valley Project.

I am therefore glad indeed for this opportunity to talk about the Central Valley Project, to men actively engaged in the various branches of the transportation industry, because you are already familiar with the amazing number, variety, volume, tonnage, and value of the products of the Central Valley. You know how they reach their markets. You know how they are gathered, pressed, processed, manufactured, packed, stored, transported and financed, and finally moved into consumption.

Therefore, when anyone describes the main features and the major benefits promised by the Central Valley Project, you are readily able to picture them in terms of your own industry, and grasp their enormous significance to the whole community.

You know how vital it is to the welfare of the community that all of this economic activity be well served, in all its stages, with well organized transportation facilities, geared in cost, frequency and speed of service, to the nature of the commodities moved.

You know the full meaning of again extending Sacramento River barge traffic one hundred ninety miles upstream from Sacramento

to Red Bluff. Years ago, this traffic was very heavy. But with the development of hydraulic mining, plugging the river channels with millions of tons of gravel and debris; and later, with the advent of the railroad, offering frequent, regular service and competitive rates; and with the heavy diversions of water from the river for irrigation, the summer flow of the river fell to such low levels that water traffic above Sacramento was gradually choked off, almost to the vanishing point.

Now, with the regular flow and navigable depths of water soon to be reestablished by controls at Shasta Dam, there is no sound reason, except rate schedules artificially maintained for the benefit of trucks and railroads, why river barge traffic should not again come into its own. My own view is that there should be no such discriminations against any form of transportation.

Army engineers estimate that the area tributary to the river above Sacramento should easily produce a million tons of river freight per year. Experts tell me there would be a saving of \$1.25 a ton as against other forms of transport from this area to San Francisco. But even at a saving of only 50 cents a ton, the producers in the upper Sacramento River districts able to use river barge freighting service would realize savings which would enable them to repair their flood damages, pay their debts, and show profits.

You know, also, what it will mean to the transportation industry serving the Central Valley if the population of the Central Valley be doubled, trebled and quadrupled, and if, as a consequence, travel within the valley and travel in and out of the valley be doubled. You know, also, how it will stimulate your industry, and the packing, warehousing, and marine terminal industries as well, if the volume, tonnage and value of the agricultural products of the Central Valley be doubled and trebled. You know, also, what it will mean to your industry if cheap power, cheap water, and cheap transport shall enable the establishment of scores, yes, hundreds of new industrial enterprises in the valley; converting agricultural wastes into usable commodities; exploiting clay, limestone and gravel deposits and other mineral deposits heretofore too remote or too low grade for profitable development; smelting ores; building homes and all of the facilities of an expanding economy.

All of these things, and more, are the possibilities, the promise of the Central Valley Project.

This promise, and the public character of the project were emphasized, and its relationship to the whole economy of the people was confirmed and clarified when they voted adoption of the Central Valley Project Act which contains the following declarations:

“The people of the State of California * * * declare that the public interest, welfare, convenience and necessity require the construction * * * of a system of works for the conservation, development, storage, distribution and utilization of water, with incidental generation, transmission, and distribution of electrical energy, which system of works is hereby designated as the Central Valley Project and is hereby specifically approved and authorized.”

The act further declares:

“The construction, operation and maintenance of said Central Valley Project, as herein provided for, is hereby declared to be in all respects for the welfare and benefit of the people of the State, for the improvement of their prosperity and their living conditions, and this act shall therefore be liberally construed to effectuate the purposes and objectives thereof. The (Water Project) Authority and the Department (of Public Works) shall be performing a governmental function in carrying out the provisions of this act.”

But we all know that very often there is a whole world of difference between promise and realization. We all know perfectly well that the success of any enterprise, once conceived, whether public or private, depends less upon careful plans than upon competent management. In other words, I conceive that it would be perfectly possible, with incompetent management, for the Central Valley Project to be built and placed into operation without our ever realizing its full promise; without our ever realizing more than a very slight stimulation to population growth and economic activity; without our ever realizing more than a very slight rise in the standard of living for the masses of citizens living in the valley.

Therefore, at this stage of development of the project, I am more concerned with what shall be done with it and how, than with its broad physical features and potentialities.

I am thoroughly satisfied with the construction designs thus far submitted by the engineers. They have been checked and double checked by other engineers and found to be feasible; not only technically feasible but economically feasible as well. In other words, if bonds were to be issued to finance its cost, they would be a businesslike, sound investment.

I am convinced that in the last analysis the success of the Central Valley Project will depend upon the policies governing its operation; upon its careful and complete integration into the social and economic life of the people; upon the hard common sense and sound social attitudes, the courage and determination of those who will be charged with its operation; upon their having authority to act when action is necessary; and upon the wisdom of their actions.

I have some fairly definite ideas about how the Central Valley Project should be handled from now on. They are not as well known as I should like. Therefore, I wish to discuss them briefly.

But first, let me say something about the present state of the project.

The cost was first estimated at about 170 million dollars and in the Central Valley Project Act, approved in 1933 by the people, the State was to undertake construction in its entirety. But hard times intervened and nothing was done. So, finally, acting in response to the general welfare clause of the United States Constitution, President Roosevelt made the first funds available for the project under the National Industrial Recovery Act. This was in 1935.

Since then the Federal Government has undertaken to construct all of the main features of the project. Seventy-three million two hundred thousand dollars have been allocated already, and the President's Budget contains an item of \$25,000,000 more for the coming year. In order to speed up the completion of Shasta Dam to make its hydroelectric power available as early as 1943 to meet increased requirements for National defense, we are asking that this appropriation be doubled. Shasta and Friant Dams are now under construction. The Sacramento River will soon be under control, and the Shasta dynamos should be ready to deliver electric power within three years. This work is being done by and under the direction of the United States Bureau of Reclamation, a division of the United States Department of the Interior.

For the present, this arrangement is highly satisfactory. But we shall presently encounter difficulties.

For example, the project is going to cause serious damage to fish life, especially to the salmon, unless strenuous and fairly costly measures are taken to prevent. Our Fish and Game Division has made and is making exhaustive studies with a view to meeting these problems, but finds itself unable to make specific recommendations or to act effectively. This is partly because the Reclamation Bureau has not yet decided just how Shasta Dam water flow is to be operated, just how the salmon spawning runs are to be diverted when the salmon are no longer able to travel up the river to their usual spawning grounds. Nor is it decided whether the Federal Reclamation Bureau or the State Division of Fish and Game shall conduct and supervise the propagation of new fish life in the Shasta reservoir. Moreover, in coming to these decisions, still other Federal agencies will have to be consulted, and their approvals obtained. I express the hope that plans and works to meet the fish problems introduced by the project can be formulated in time to prevent serious losses.

Another example is found in the new navigation and flood control problems to be encountered. Heretofore our State agencies have had to work with but a single Federal agency, the War Department, in handling these problems. Now, another and additional agency must be reckoned with, the Reclamation Bureau, which will regulate river flow at Shasta Dam. I express the hope that the War Department and the Reclamation Bureau can and will cooperate effectively and without loss of time; and these two with our State agencies.

Another example is seen in the problems of the people in dealing with the governmental agencies. Assuming that the coordinated work of other agencies efficiently accomplishes direct and tangible benefits from the project in the form of flood protection, bigger and cheaper water supplies and cheaper electric power, the people still have to deal with numerous other Federal agencies in matters of credit, markets, crop benefits, and soil erosion control and so forth. How much better off they would be if all of their dealings with the Federal Government could be negotiated and conducted with a single government agency, itself concerned solely with the development of this one region and all of its parts, keeping each in its proper relationship to the others.

Still another difficulty is encountered in the fact that the main offices of practically all of the Federal agencies are located in Washing-

ton, D. C. All major decisions are made three thousand miles away from the job. Complaints so often heard about the slowness of governmental action, are largely due to this fact.

Nevertheless, let it be remembered that the exercise of the Federal Government's broad, centralized powers is absolutely indispensable to the completion of the project, to its successful operation and management, to the development of all of its potential benefits, all in proper balance, and to making these benefits available to all of the people. The Federal Government has all of the authority as well as the strong financial power required to go through with the job. It has all of the power and authority needed to deal with all of the many groups within society whose interest impinge upon, some of them conflicting with, the objectives of the Central Valley Project. No additional Federal powers are needed.

But close examination reveals still another major cause of slowness of governmental action. It results, not from the centralization of power in the Federal Government, but from the overcentralization of the administration of that power. Government is thus made too remote from the people. With powers of decision and administration seated 3,000 miles away and there dispersed among scores of different agencies and bureaus, each intent upon its own job, it becomes very difficult, almost impossible, to integrate their functions, to mobilize them, and to bring them to bear, fully balanced, upon the problems of any given region. Nevertheless, this is exactly what we must do in order to squeeze out of these bureaus the full benefits and efficient services which they are capable of giving.

What, then, should be done?

I firmly believe that in order to bring our Federal Government closer to the people, in order, specifically, to apply the full benefit of Federal authority and finance to the orderly, balanced, rational development of the great Central Valley areas, we should have a Federal Regional Authority with its main offices in the heart of the Central Valley region, fully financed, fully authorized, and charged with the responsibility of operating the Central Valley Project and stimulating and protecting economic opportunity throughout the region.

I do not refer to opportunity for a small number of already powerful business institutions to add to their strength. I refer, rather, to economic opportunity, economic liberty, for the average man; for men

rather than institutions. I refer to economic opportunity for that major portion of our population whose economic freedom is so insecure, threatened as it is, by the steady growth of monopoly and concentration of wealth and power.

Just how would such an authority work with the people? Let us suggest a few ways.

First, of course, by completing the system of works which we call the Central Valley Project.

Second, by establishing the lowest possible prices for irrigation water supplies.

Third, by establishing and securing adoption of mass-consumption price policies for the distribution of electric power at the lowest possible costs to its consumers.

Fourth, by promoting programs to fortify and rebuild the soil, by methods which will stimulate and strengthen the private enterprise of farming. It is upon the soil that our hopes for a rising standard of living depend.

Fifth, by carrying on scientific and technical research, and by building and operating pilot plants in order to develop new industrial processes and machinery. By making such findings available to the public; by interpreting the facts about the region's resources and potentials and needs; in order to stimulate the initiation and growth of private enterprise.

Sixth, by the regional integration of agencies, both public and private, both Federal and State, upon which future economic growth depend.

* * * *

Now, to summarize.

The Federal Government is building a vast system of works in the Central Valley of California.

These works CAN accomplish great good for the entire region and serve the general welfare of the people IF a thorough job is done with an eye single to the general welfare.

This means stimulating economic opportunity for the greatest possible number of people.

It is reasonably certain that under almost any plan of operating the project it will give rise to increases in population and economic activity in the Central Valley. But if the job is thorough; if it is planned and performed under a Regional Authority, located and empowered to make decisions and establish policies right on the ground, we should see two, three, four, or five millions of people living here, in security and comfort. Agricultural and industrial output, and general economic activity should rise 200, 300, even 400 per cent.

All this has meaning to you who are engaged in the transportation industry.

You who are interested in transportation naturally want to see passenger travel and freight tonnage moving within the Central Valley or going into or out of the valley, rise by more than a mere 25 per cent or 50 per cent. You want to see these figures rise by 100 per cent or 200 per cent.

The difference is one of attitude. It is a difference between a neglectful attitude and a determined, intelligent, constructive attitude toward the future of our great Central Valley and the people who are to live there.

To achieve maximum benefits entails support of a bill soon to be introduced in Congress to establish a Federal Regional Authority for the development of California's Central Valley.

I ask you to support its adoption.

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